

FISCAL NOTE

SB 848 - HB 1400

April 29, 2003

SUMMARY OF BILL: Changes the guidelines for contracts for specific services signs:

- Allows the Department of Transportation to enter into contracts for the administration and construction of specific service signs based upon a request for proposals process instead of a bidding process.
- Removes the requirement that lease payments to the Department of Transportation for administrative purposes relating to specific service signs, fully reimburse the department for the cost of the signs. Instead, the bill would require that the contract provide quarterly payments of no less than \$152,000.
- Authorizes the gross receipts payment on the difference between the providers gross revenues and the lease payments to the state to be a payment of no less than 6% rather than 6% as provided by current law.
- Reapportions the gross receipts royalty payment from 100% to the Highway Fund to 2/3 to the Highway Fund and 1/3 to the Department of Tourism.
- Removes the prohibition on the use of lease payments, royalty payments or other funds received by the state for the purchase of nonconforming billboards or removal of nonconforming billboards.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$200,000

Other Fiscal Impact - Shifts approximately \$210,000 from the Highway Fund to the Department of Tourism

Estimate assumes:

- The bill shifts the initial cost and annual repair and replacement of signs from the vendor to the Department of Transportation.
- Gross receipts royalty collections of approximately \$632,000 in FY02.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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